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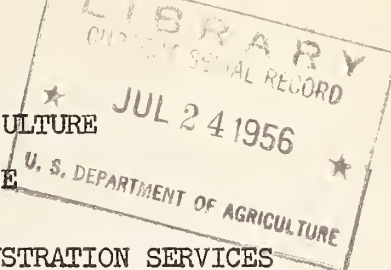
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UNITED STATES DEPARTMENT OF AGRICULTURE

AGRICULTURAL MARKETING SERVICE
TOBACCO DIVISION

TOBACCO INSPECTION, MARKET NEWS, AND DEMONSTRATION SERVICES



(Type 31 - Burley)

Inspection of tobacco according to standard grades as an aid to growers in marketing their crop was inaugurated in 1929 by the United States Department of Agriculture. In August 1935, The Tobacco Inspection Act was made law. This Act offered growers free and mandatory inspection on various tobacco markets where it was desired. That is, the growers could request a referendum to be held on a market or group of markets, and if two-thirds of the votes cast favored inspection, those markets would then be designated by the Secretary of Agriculture for free and mandatory inspection.

In 1936 several markets in the Burley belt took advantage of this service, and other growers, recognizing the aid it was to marketing their tobacco, requested it on their markets. By 1940 the Service had spread to take in almost half of the markets in the Burley area. In October 1941 a general referendum was held covering the remainder of the Burley markets. Since the marketing season of 1941-42 all Burley markets in Kentucky, Tennessee, Virginia, North Carolina, West Virginia, Ohio, Indiana, and Missouri have had free inspection service.

Reasons for the inspection and market news service are readily understood by every farmer who has sold a split lot of tobacco for two widely different prices, or has rejected a bid and resold the same tobacco, on the same day, on the same warehouse floor, possibly for twice or three times the first price offered. Every tobacco grower knows there is much uncertainty about the price any basket of tobacco will bring, and there is a wide range in the price paid for lots of tobacco of the same quality.

Inspection and market news service, based on Government Standard Grades, has been developed to provide a measuring stick and price guide to the grower. Prior to the sale, a trained inspector examines each basket of tobacco and certifies it as to grade. The market price reports, furnished daily by the market news service, cooperating in some instances with State agencies, give the grower the current average price paid for each specific grade. With this information he can determine whether his tobacco is selling in line with current prices, and is enabled, when necessary, to make intelligent rejections.

Since January, 1940, the Government through its lending agencies, has made non-recourse loans available to growers. These are administered through co-operative associations or other responsible organizations, that place a support price on each grade of growers tobacco that is in sound and merchantable condition.

The inspection service inspects and certifies the grade of tobacco, before sale, at all auction markets. Packed and processed tobacco is also inspected and grade certified upon application by interested parties.

The Tobacco Inspection Act provides for three distinct services: inspection, market news, and demonstration.

INSPECTION SERVICE: The inspection is done by highly trained specialists in tobacco judging, who have taken training courses and passed tests to qualify them for this type of work. They precede the auction sale and certify each basket as to grade, according to Federal standards. This grade is, in reality, a description of each basket of tobacco as to group, quality, and color. These grades can be readily understood by the grower, if given a little application.

Grades for tobacco are determined by the simple process of division and subdivision, until a point is reached at which further subdivision is neither essential nor desirable. Each final subdivision is called a grade.

Class: The first division is made on the basis of distinct characteristics of tobacco caused by varieties of seeds, soils, climate, and methods of cultivation, harvesting, and curing; this division is called class. (See Brief Classification of Leaf Tobacco, page 3).

Type: Each class is subdivided into types. A type is a division of a class of tobacco having certain common characteristics which permit its being divided into a number of closely related grades. Tobacco which has the same characteristics and corresponding qualities, colors, and lengths is treated as one type.

Grade: The next subdivision breaks down each type into grade. A grade of Burley tobacco is made of three factors: group, quality, and color.

(1) Group: The first factor of a grade, is a division of a type, covering several closely related grades, based on the general quality of the tobacco, including body, the percentage of injury, shape of leaf, and other characteristics. Different groups are Flyings, Lugs, Leaf, Mixed, Nondescript, and Scrap with a subgroup of short leaves called Tips.

Flyings (X) normally consist of the leaves at the lower part of the plant, show a material amount of injury characteristic of leaves grown near the ground, tissuey to very thin in body, generally ripe to thoroughly ripe, low tensile strength and solidity.

Lugs (C) usually longest and widest leaves on the plant, thin to medium body, have a very light color shade, and have sufficient strength and solidity to be stemable into whole strips, and have very little injury.

Leaf (B) compared with general characteristics of the type, is relatively medium to heavy body, has higher percentage of oil, is narrower in width with larger stems (midribs) compared with lug group, and varies in maturity from ripe to fairly ripe, according to quality.

Tips (T) a subgroup of leaf of which 20% or more of its leaves are under 16" in length. Normally consist of relatively narrow sharp pointed leaves under sixteen inches long which grow on top or upper part of the plant, but may consist of any short leaves having the characteristics of tips.

BRIEF CLASSIFICATION OF LEAF TOBACCO

(Covering classes, types, and groups)

CLASS 1, FLUE-CURED TYPES

- Type 11:** Old Belt flue-cured; produced in the Piedmont sections of Virginia and North Carolina.
- Type 12:** Eastern North Carolina flue-cured; produced in the coastal sections of North Carolina, north of the South River.
- Type 13:** South Carolina flue-cured; produced in the coastal sections of South Carolina and the southeastern counties of North Carolina, south of the South River.
- Type 14:** Georgia and Florida flue-cured; produced in southern Georgia and northern Florida.

CLASS 2, FIRE-CURED TYPES

- Type 21:** Virginia fire-cured; produced in the Piedmont and mountain sections of Virginia.
- Type 22:** Tennessee-Kentucky fire-cured, eastern district, Clarksville, Springfield, and Hopkinsville; produced in a section east of the Tennessee River, in southern Kentucky and northern Tennessee.
- Type 23:** Kentucky-Tennessee fire-cured, western district, Mayfield and Murray; produced in a section between the Tennessee, Ohio, and Mississippi rivers in western Kentucky and northwestern Tennessee.

CLASS 3, AIR-CURED TYPES

LIGHT AIR-CURED (CLASS 3a)

- Type 31:** Burley; produced in Kentucky, Tennessee, Ohio, Indiana, West Virginia, Virginia, North Carolina, and Missouri.
- Type 31-V:** Low nicotine Burley; produced in Kentucky.
- Type 32:** Southern Maryland; produced in five counties of southern Maryland--Prince Georges, Anne Arundel, Calvert, Charles, and St. Marys.

DARK AIR-CURED (CLASS 3b)

- Type 35:** One Sucker; produced in north-central Tennessee and south-central Kentucky.
- Type 36:** Green River; produced in the northern part of Kentucky in the territory adjacent to Owensboro and Henderson.
- Type 37:** Virginia sun-cured; produced in central Virginia, north of the James River.

CLASS 4, CIGAR-FILLER TYPES

- Type 41:** Pennsylvania Seedleaf; produced in Lancaster County, Pa., and the adjoining counties.
- Types 42-44:** Ohio filler:
- Type 42:** Gebhardt; produced in the Miami Valley section of Ohio and extending into Indiana.
- Type 43:** Zimmer; produced in the Miami Valley section of Ohio and extending into Indiana.
- Type 44:** Dutch; produced in the Miami Valley section of Ohio.
- Type 46:** Puerto Rican sun-grown including primed (Deshojado) and stalk-cut (Mata); produced on the Island of Puerto Rico.

CLASS 5, CIGAR-BINDER TYPES

- Type 51:** Connecticut Broadleaf; produced in the Connecticut Valley sections of Connecticut and Massachusetts.
- Type 52:** Connecticut Havana Seed; produced in the Connecticut and Housatonic Valley sections of Connecticut and Massachusetts.
- Type 53:** New York and Pennsylvania Havana Seed; produced in the Big Flats and Onondaga sections of New York, and extending into Pennsylvania.
- Type 54:** Southern Wisconsin; produced in Wisconsin, south and east of the Wisconsin River.
- Type 55:** Northern Wisconsin; produced in Wisconsin, north and west of the Wisconsin River, and in eastern Minnesota.

CLASS 6, CIGAR WRAPPER TYPES

- Type 61:** Connecticut Shade; produced in the Connecticut Valley sections of Connecticut and Massachusetts.
- Type 62:** Georgia and Florida Shade; produced in southwestern Georgia and north-central Florida.

MISCELLANEOUS TYPES OF DOMESTIC TOBACCO

- Type 72:** Louisiana Perique.
- Type 73:** All domestic types of tobacco not otherwise classified.
- Type 77:** Domestic Aromatic.

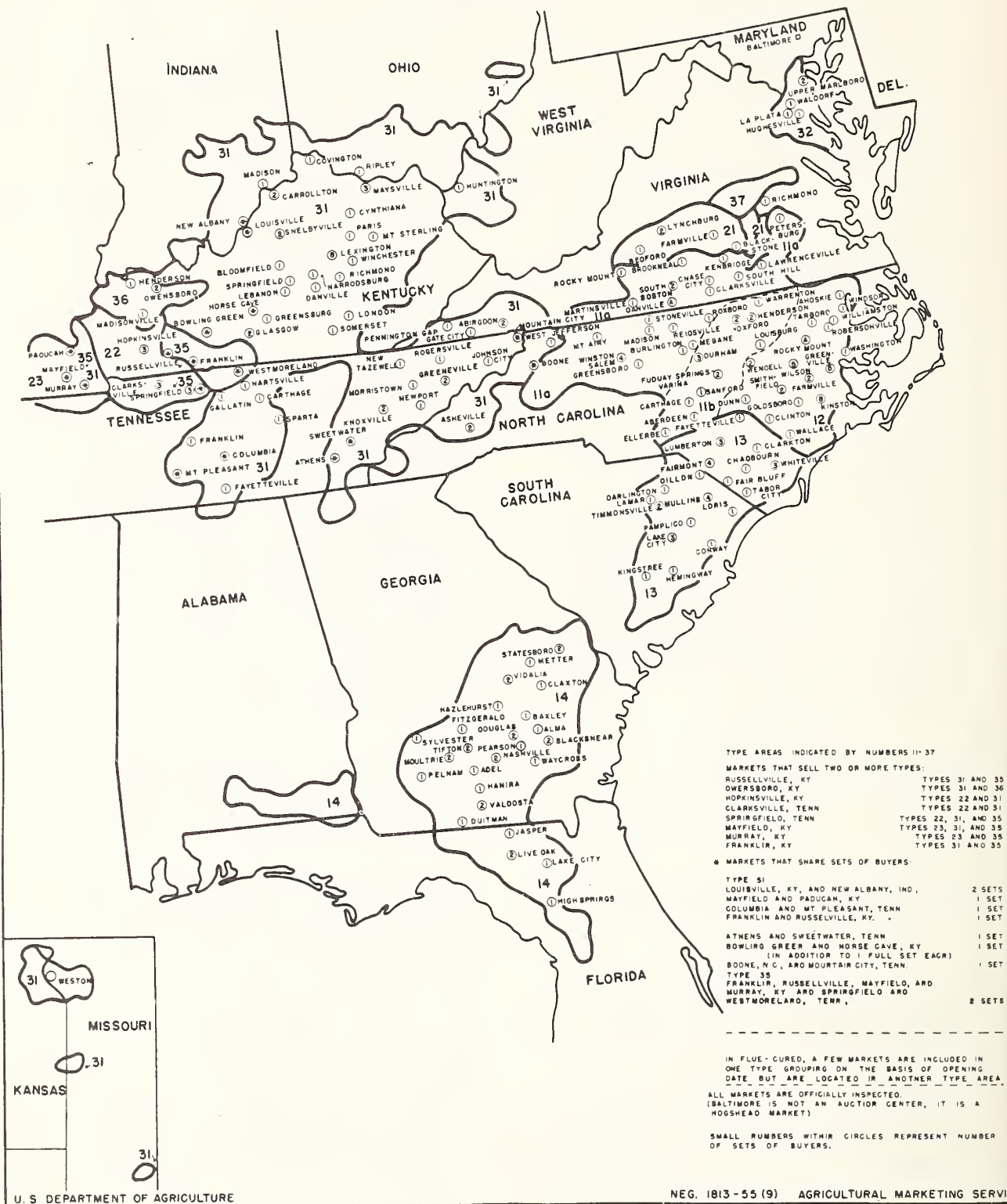
FOREIGN TYPES

- Type 81:** Cuba (Havana)
- Type 82:** Sumatra and Java.
- Type 83:** Philippine Islands (Manila).
- Type 84:** All foreign-grown cigar-leaf not otherwise classified.
- Type 90:** Foreign-grown cigarette and smoking tobacco (Turkish and other).

TOBACCO

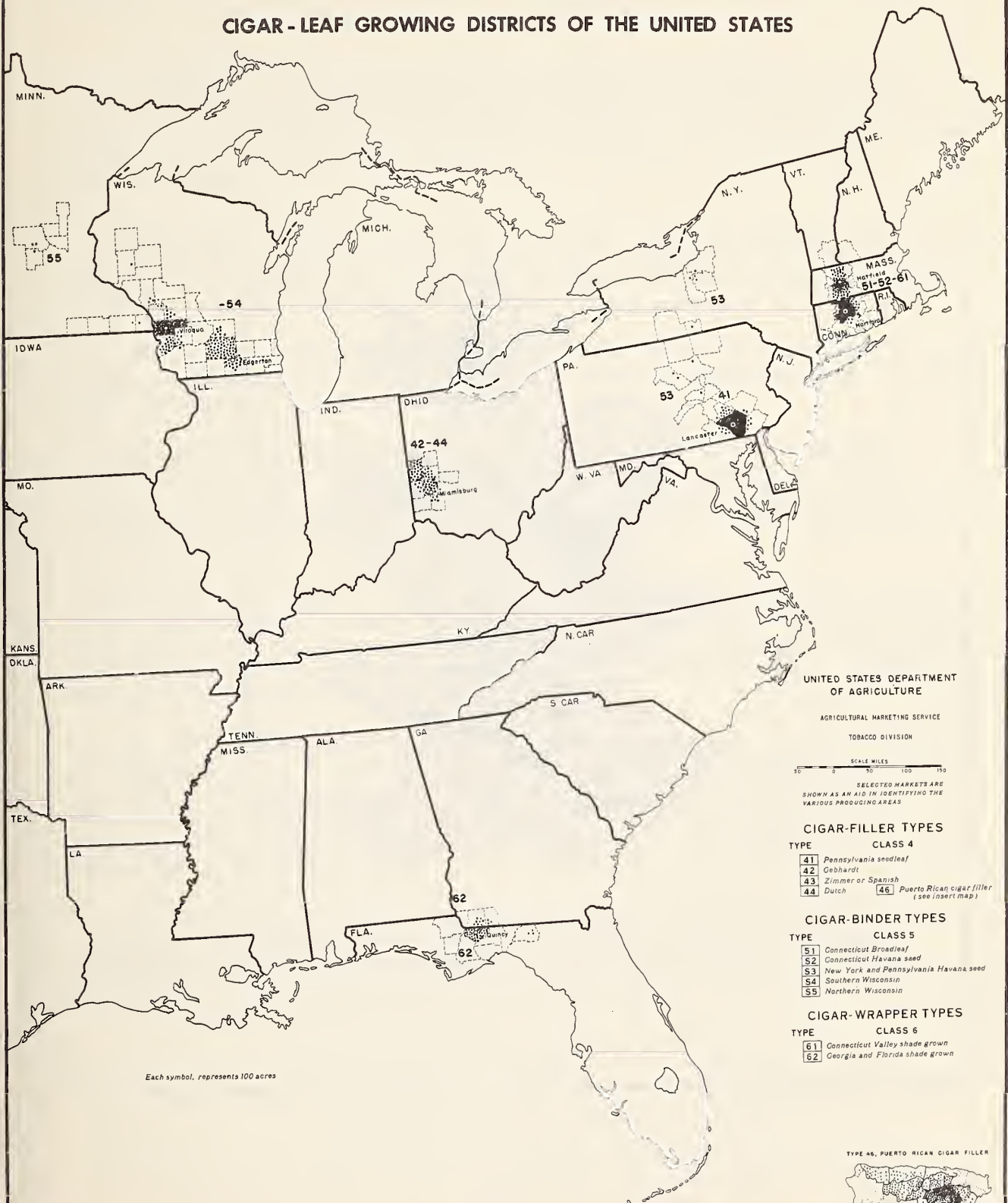
AUCTION MARKETS AND PRODUCING AREAS, 1954-55

(CIGAR LEAF PRODUCING AREAS NOT SHOWN)



TOBACCO

CIGAR - LEAF GROWING DISTRICTS OF THE UNITED STATES



UNITED STATES DEPARTMENT
OF AGRICULTURE

AGRICULTURAL MARKETING SERVICE

TOBACCO DIVISION

SCALE MILES
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SELECTED MARKETS ARE
SHOWN AS AN AID IN IDENTIFYING THE
VARIOUS PRODUCING AREAS

CIGAR-FILLER TYPES

TYPE CLASS 4

- 41 Pennsylvania seedleaf
- 42 Gebhardt
- 43 Zimmer or Spanish
- 44 Dutch
- 46 Puerto Rican cigar filler (see insert map)

CIGAR-BINDER TYPES

TYPE CLASS 5

- 51 Connecticut Broadleaf
- 52 Connecticut Havana seed
- 53 New York and Pennsylvania Havana seed
- 54 Southern Wisconsin
- 55 Northern Wisconsin

CIGAR - WRAPPER TYPES

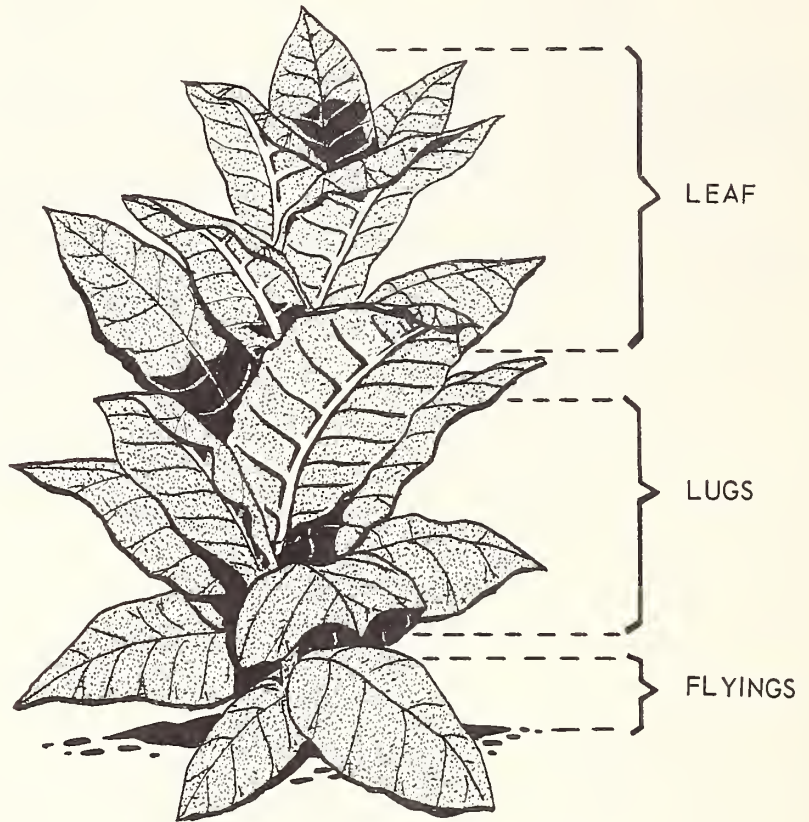
TYPE CLASS 6

- 61 Connecticut Valley shade grown
- 62 Georgia and Florida shade grown

TYPE 46, PUERTO RICAN CIGAR FILLER



BURLEY TOBACCO PLANT



Mixed (M) any extreme mixture, containing two or more distinctly different groups, any lot which has not been sorted (graded) in the customary and commonly accepted manner, or containing tobacco extremely different in body, general quality or general color.

Nondescript (N) except as may be designated by a special factor, shall include: (a) Any tobacco which does not meet the minimum specifications of the lowest grade of any other group; (b) any wet, semicured, or unsound tobacco; (c) any tobacco which has wasted or contains waste to the extent of 40% or more; or (d) any tobacco defined as botched, crude, decayed, offtype, or nested.

Scrap (S) is a by-product from handling tobacco in either unstemmed or stemmed form, consisting chiefly of loose, untied, or portions of leaves which accumulate in warehouse, packing and conditioning plants and stemmeries, or has been reduced to scrap by any process.

The group division is the first and basic factor of grades for tobacco. In examining Burley tobacco the physical characteristics detailed above are used to determine the different groups.

(2) Quality: The second factor of a grade, a division of a group, of which there are five degrees: (1) Choice, (2) Fine, (3) Good, (4) Fair, and (5) Low, each being based on one or more elements in tobacco such as: smoothness, maturity, body, width, length, porosity, color shade, finish, and uniformity.

(3) Color: The third factor of grade based on the relative hues, saturations, and brilliance common to the group, and certain elements of quality. Each quality of the groups is divided into colors as required. The terms used to describe color in Burley tobacco are: Straw (L), Tan (F), Red (R), Dull Red (D), Mixed Color (M), Green (G).

In addition to aforementioned three main factors of a grade, when a lot of tobacco has a peculiar side or characteristic, varying from or not covered by the specifications, the department uses a special factor to help describe these tobaccos which could be a Greenish tinge (V), Variegated (K), Reddish Tan (FR), Light Green (GF), Dark Green (GR), Unsafe Order (W), Unsound (U).

Any combination of group, quality and color, or special factor when needed, can be made to form a grade. To simplify the use of Groups, Qualities, Colors and Special Factors, letters and numerals are used to represent the words they stand for as follows:

<u>First or Group Factor</u>	<u>Second or Quality Factor</u>	<u>Third or Color Factor</u>	<u>Fourth or Special Factor</u>
B - Leaf	1 - Choice	L - Straw	V - Greenish
T - Tips	2 - Fine	F - Tan	K - Variegated
C - Lugs	3 - Good	R - Red	FR - Reddish Tan
X - Flyings	4 - Fair	D - Dull Red	GF - Light Green
M - Mixed	5 - Low	M - Mixed	GR - Dark Green
N - Nondescript		G - Green	W - Unsafe Order
S - Scrap			U - Unsound

Exceptions: In the (M) mixed group grades F indicates that the lot is chiefly on the "Smoking Side", over 50% being relatively thin in body and light in color, while R indicates the lot is chiefly on the "Chewing Side", over 50% relatively heavy in body and dark in color.

In the nondescript grades: N1 designates the best, while N2 designates the poorest; L designates thinnest body and light color, F designates dark dingy color, D designates heavy body dull red color, and G designates crude.

Substituting symbols for words, Lugs of Good quality in Tan color would be written C3F. The first symbol, C, indicates the group, the second symbol, 3, denotes the quality, and the third symbol, F, describes the color. Each symbol used in a Federal Grade for tobacco has therefore a definite and known meaning.

To make this clear, assume we are to determine a grade of a single lot of tobacco. Upon examination we find from characteristics it is clearly a Flying and we know the first symbol is "X". Examining it more closely as to relative degrees of quality, such as its smoothness, maturity, body, width, uniformity, injury and waste, we are able to arrive at its degree of quality. Assuming the flyings are a major portion of straw-colored leaves, we use the symbol "L" and of good or third quality, making it "X3L". Now we have a complete description of the tobacco.

The Federal system of grades for tobacco differs from private systems in that they must be more comprehensive, since it must describe any and all lots of tobacco offered for sale, each symbol has a definite meaning which is known to the general public, and symbols are a complete description of lot applied thereto.

The details of the groups, qualities, colors, and special factors used in connection with the grades for Burley tobacco are shown on page 10.

Farmers are sometimes confused by the fact that the several groups, qualities, colors, and special factors can be combined to form a large number of grades. They say that too many grades are recognized because the total number cannot be applied to their particular crops. It should be remembered that grades are used only as required, and only a limited number are necessary to describe all tobacco in an individual crop. However, crops from different farms and from different areas show such a wide variation that a wide range in grades is necessary to describe all Burley tobacco offered for sale.

Operation of Inspection Service

On markets where the inspection service operates, the procedure is as follows:

- (1) Growers deliver their tobacco to the market of their choice and to any warehouse they may select.
- (2) The tobacco is arranged for sale on flat baskets.
- (3) Each lot, or basket, is then weighed and a warehouse ticket is placed on the lot. The ticket shows the name of the seller and the number of pounds of tobacco in the lot, and may give other information for the purpose of identification. Space is provided on the ticket for the name of the buyer, the grade symbol of the buyer, and the price at which the tobacco is sold. It also has a space in the upper-right corner for the Federal grade (see page 12).
- (4) The lots, or baskets, are placed in line on the warehouse floor.
- (5) As soon as there is good light, the official inspectors start at the beginning of the "break" ahead of the sale, and make a proper examination of each basket of tobacco.
- (6) Having made a careful examination, the inspector writes on the ticket, in the space provided, the Federal grade that correctly describes the tobacco in the lot, and signs his initials. If the tobacco inspected is Leaf of Fair quality in Red color, the inspector writes B⁴R. If the tobacco is made up of Lugs of Fine quality in Straw color, the grade symbols are C2L. If the lot is made up of Flyings of Good quality in Tan color the grade mark is X3F. The warehouse ticket then becomes a certificate of grade and shows the type of tobacco as well as its group, quality, and color.

CLASSIFICATION OF TOBACCO, TYPE 31

GROUPS	QUALITIES	COLORS	SPECIAL FACTORS*
Leaf (B)	<ul style="list-style-type: none"> 1-Choice 2-Fine 3-Good 4-Pair 5-Low 	<ul style="list-style-type: none"> F-Tan R-Red D-Dull Red G-Green M-Mixed 	<ul style="list-style-type: none"> V-Greenish K-Variegated FR-Reddish Tan GF-Light Green GR-Dark Green
Tips (T)	<ul style="list-style-type: none"> 3-Good 4-Pair 5-Low 	<ul style="list-style-type: none"> F-Tan R-Red D-Dull Red G-Green 	<ul style="list-style-type: none"> V-Greenish FR-Reddish Tan GF-Light Green GR-Dark Green
Lugs (C)	<ul style="list-style-type: none"> 1-Choice 2-Fine 3-Good 4-Pair 5-Low 	<ul style="list-style-type: none"> L-Straw F-Tan R-Red G-Green M-Mixed 	<ul style="list-style-type: none"> V-Greenish K-Variegated
Flyings (X)	<ul style="list-style-type: none"> 1-Choice 2-Fine 3-Good 4-Pair 5-Low 	<ul style="list-style-type: none"> L-Straw F-Tan R-Red G-Green M-Mixed 	
Mixed (M)	<ul style="list-style-type: none"> 3-Good 4-Pair 5-Low 	<ul style="list-style-type: none"> Smoking Side F- Thin Body Light Color Chewing Side R- Heavy Body Dark Color 	
Nondescript (N)	<ul style="list-style-type: none"> 1-Best 2-Poorest 	<ul style="list-style-type: none"> L-Thin body light color F-Thin body dingy color R-Heavy body dark color G-Crude 	<ul style="list-style-type: none"> Botched Nested Off-type Decayed
Scrap	As defined		

Class 3
Air-
cured

Type
31
Burley

*Special factor U and W can be used as the fourth factor of any grade

MARKET NEWS SERVICE: The average farmer cannot spend enough time on the warehouse floor to keep posted on the approximate value of the different grades of tobacco, but this knowledge is essential to the equitable sale of his tobacco. In order to provide for this need, the tobacco market news service was developed, and operates as a companion activity to the inspection service.

Studies made by the Department of Agriculture show that the greater part of the tobacco sold at auction is sold at prices within the normal range of each grade and therefore are in line with equitable prices as established by sales. The studies also show that some lots sell considerably higher than the normal price range for the grade, and about the same number of lots sell in the price range that is considerably lower than the normal range. In both cases these prices are entirely out of line with equitable sales. In the one instance the seller receives too much for his tobacco and in the other he receives far too little. It is therefore evident that whereas one grower, for some unexplained reason, is paid a premium for his tobacco, another grower is likely to be penalized. It is this situation which causes so much dissatisfaction and which could be eliminated by proper and consistent use of the inspection and market news services.

The value of the inspection and market news services lies in the fact that the certificate of grade on the warehouse ticket provides tobacco growers with unbiased information regarding the grade or quality of each lot of tobacco offered for sale, and the price reports furnish a definite basis for making an intelligent decision on whether or not to accept a bid.

During sales, on various markets located over the entire belt, a record is made of grade, pounds, and price for each lot sold. These data are transmitted to a central market news office, where averages are calculated for representative grades and issued in the form of a daily press release. This report carries quotations on grades which represent around three-fourths of the total volume of offerings. The release reviews the highlights of the day's sale covering such items as quality, price, trend, high and low price for individual baskets, etc. Sales figures for the eight-state belt are also included. Newspapers and radio stations are furnished with the release daily.

Weekly price reports are sent to every market showing the average price at which each grade sold during the preceding week along with the advance price for the grade. This information is made available to growers selling on the market. In addition a weekly news report is issued which reviews the marketing activities for the week. This report is sent by mail upon request to the Market News Office and may be obtained throughout the season without cost.

Market price reports furnished growers give current average prices by grade and also support price of each grade. If a certain grade is averaging well above support price it would be well for grower to think before accepting loan price: For example, B5FR average was \$40.00 while support price was \$33.00. If grower was not offered bid above support price, it would be worth his time to reject this lot and offer it at next sale. He is assured of loan price being the same all season and in most cases his lot would bring near average sale price on second sale thus giving him a nice profit over first sale.

Date	Warehouse No.	TOBACCO INSPECTION CERTIFICATE This tobacco inspected by U. S. Dept. of Agri. under Tobacco Inspec. Act is certified to be: Type 31 Grade	
	(NAME OF WAREHOUSE)		
	No. <u>954</u>		By
	Basket No. <u>101554</u>		(Date) (Inspector U. S. D. A.)
	Grower <u>John Doe</u>		
	<u>450</u> Lbs.	BUYER AND GRADE	
	Price	BUYERS RECEIPT	
	CALCULATION		

Date	Warehouse No.	TOBACCO INSPECTION CERTIFICATE This tobacco inspected by U. S. Dept. of Agri. under Tobacco Inspec. Act is certified to be: Type 31 Grade <u>B3F</u>	
	(NAME OF WAREHOUSE)		
	No. <u>954</u>		<u>1/6/55</u> By <u>R.R.</u>
	Basket No. <u>101554</u>		(Date) (Inspector U. S. D. A.)
	Grower <u>John Doe</u>		
	<u>450</u> Lbs.	BUYER AND GRADE	
	Price <u>57</u>	<u>W</u> <u>2X</u>	
	CALCULATION	BUYERS RECEIPT	

UNITED STATES DEPARTMENT OF AGRICULTURE
Tobacco Division, Agricultural Marketing Service
Ky., N. Carolina, Tenn., Va. and W. Va.
Departments of Agriculture, Cooperating

No. 8
(1954 Crop)

WEEKLY TOBACCO MARKET PRICE REPORT - TYPE 31, BURLEY

Gross sales in the eight-state area for the period January 4 through 6 totaled 81,749,841 pounds and averaged \$49.56 per hundred. Season gross sales through the same date were 541,342,903 pounds averaging \$50.71.

Auction averages and advance prices per hundred pounds by U. S. grades:

WEEK ENDING THURSDAY, JANUARY 6, 1955

U. S. GRADE	AUCTION AVERAGE	ADVANCE PRICE	U. S. GRADE	AUCTION AVERAGE	ADVANCE PRICE	U. S. GRADE	AUCTION AVERAGE	ADVANCE PRICE
<u>Leaf</u>			<u>Tips (Cont'd.)</u>			<u>Lugs (Cont'd.)</u>		
B1F	\$61	\$61	T3R	\$35	\$25	C5F	\$59	\$58
B1FR	--	50	T3RV	26.50*	22	C5R	50	46
B1R	--	38	T4F	42	38	C5M	53	44
B2F	60	59	T4FV	35	30	C5G	38*	27
B2FR	50*	48	T4FR	37	31	<u>Flyings</u>		
B2R	45*	36	T4R	30	22	X1L	68*	68
B3F	57	55	T4RV	25.50	19	X1F	--	67
B3FV	50	49	T4D	21.50	16	X2L	68*	67
B3FK	--	44	T4GF	26	20	X2F	67*	66
B3FR	45	43	T4GR	19	14	X3L	67	66
B3R	37	32	T5F	37	31	X3F	66	65
B3RV	--	25	T5FR	32	25	X3R	56	55
B3M	--	41	T5R	23.50	18	X4L	64	62
B3GF	--	31	T5D	18	13	X4F	62	61
B3GR	--	21	T5GF	19.50	16	X4R	52	50
B4F	52	50	T5GR	16.50	12	X4M	55*	47
B4FV	45	44				X4G	--	37
B4FK	--	39	<u>Lugs</u>			X5L	59	53
B4FR	43	39	C1L	68*	68	X5F	55	52
B4R	34	28	C1F	67*	67	X5R	44	40
B4RV	28.50	21	C2L	67*	67	X5M	48*	37
B4D	29*	19	C2F	67	66	X5G	--	27
B4M	48*	37	C3L	67	66	<u>Mixed</u>		
B4GF	33	28	C3F	66	65	M3F	50	47
B4GR	23.50	18	C3FV	--	60	M3R	--	35
B5F	46	42	C3FK	59*	54	M4F	49	42
B5FR	40	33	C3R	58	57	M4R	39*	31
B5R	32	25	C3RV	--	50	M5F	42	37
B5D	23.50	16	C4L	66	65	M5R	33	26
B5M	41*	27	C4F	64	63	<u>Nondescript</u>		
B5GF	28	23	C4FV	60*	58	N1L	46	38
B5GR	22	14	C4FK	55*	52	N1F	38	26
			C4R	56	54	N1D	19.50	12
<u>Tips</u>			C4RV	--	47	N1G	14.50	10
T3F	45	43	C4M	58*	50	N2L	29.50	No. Adv.
T3FV	--	36	C4G	--	34	N2D	13.75	No. Adv.
T3FR	40	36	C5L	63	60	N2G	13.50	No. Adv.

* Latest average established.

Averages based on auction prices inclusive of Association's advance.

Tobacco graded "W" (Unsafe Order), "U" (Unsound), Nested, Botched, Off-type or Decayed will not be accepted by the Associations.

(SEE OTHER SIDE)

"NOTICE TO GROWERS"

THE INFORMATION FURNISHED IN THIS REPORT IS INTENDED TO HELP YOU IN OBTAINING THE MARKET PRICE FOR YOUR TOBACCO.

USE PRICE REPORTS REGULARLY

Note both AUCTION average and ADVANCE price shown. You have one of the following three choices:

1. Accept Auction Price Offered.
2. Reject Auction Price and Re-offer.
3. Deliver to the Association at Advance.

BE PRESENT WHEN YOUR TOBACCO IS SOLD. Consult your warehouseman about delivery of any tobacco to the Association.

CAREFUL PREPARATION OF TOBACCO FOR MARKET PAYS A PROFIT

1. Keep GREEN and RIPE tobacco separated.
2. Be sure and remove all "rubber bands" before tying leaves into bundles. Failure to do so may result in a lower price to the grower.
3. Tie heads of bundles uniformly - about size of silver dollar.
4. Handle and market your tobacco in proper keeping order. WET TOBACCO IS ALWAYS SOLD AT A LOSS TO THE GROWER.

CONSULT YOUR TOBACCO GRADER. ASK HIM ANY QUESTIONS OR ADVICE ABOUT MARKETING YOUR TOBACCO. HE IS ON THE MARKET TO ASSIST YOU.

KEY TO STANDARD GRADE MARKS FOR BURLEY TOBACCO

<u>GROUP</u>	<u>QUALITY</u>	<u>COLOR</u>	<u>SPECIAL FACTOR</u>
B-Leaf	1-Choice	L-Buff	V-Greenish
T-Tips	2-Fine	F-Tan	K-Variegated
C-Lugs or Cutters	3-Good	R-Red	FR-Reddish Tan
X-Flyings	4-Fair	D-Dull Red	GF-Light Green
M-Mixed Group	5-Low	M-Mixed Color	GR-Dark Green
N-Non-descript		G-Green	W-Unsound Order
			U-Unsound - damaged under 20%

For example: B3F designates leaf, good quality, tan color.

Information like this will enable every farmer to know after his tobacco is sold whether the prices, lot by lot, are in line with those already established on a grade basis by the buyers. This information will enable farmers to market their tobacco on a basis of fair competition.

Records of offerings and sales, compiled by the Department of Agriculture, show that when bids are materially below the price range per grade farmers make money by rejecting the bids and putting their tobacco up for sale again. The data also show that when bids are within the price range per grade or above the average for the grade, farmers seldom profit by rejection but usually lose money. The point is that if farmers are to benefit from the operations of the inspection and market news services they must apply the information obtained. No one can refute the statement that information which enables farmers to reject low bids and to obtain for their tobacco substantially higher prices at the second offering is of great value to producers in marketing their tobacco.

DEMONSTRATION SERVICE: The demonstration service is educational. It acquaints farmers with the objectives of inspection and market news and how these services can benefit them, and instructs them in the better preparation of their tobacco for market so that it can be sold at the highest price consistent with quality.

Through cooperation with county agents and agricultural teachers, tobacco inspectors hold meetings directly at tobacco barns, where actual stripping demonstrations are given. These demonstrations show the farmer the best way to prepare his tobacco for market to enable him to obtain the best possible dollar value for his crop. Inspectors are also made available to classes of agricultural students to explain the advantage of knowing how to use the inspection and market news services.

Agricultural colleges, county agents, vocational teachers of agriculture, chambers of commerce, and other civic and farm organizations are given opportunities by the Department to further the service.

Why the Government Acts

It may be asked, "Why cannot warehouse starters and buyers determine the grade of tobacco as well as Government inspectors?" Studies show that in the majority of instances they can, and do, since the bulk of sales are made at prices within the normal range for the several grades. But there are the sales at abnormally low prices to be explained.

One explanation may be found in the rate at which tobacco is sold at auction. The normal rate at which Burley tobacco is auctioned is 360 lots an hour, or 1 lot each 10 seconds. Under normal conditions the warehouse starters and buyers must determine the group, quality, and color of a lot of tobacco every 10 seconds. It is extremely doubtful whether these determinations can be accurately and consistently made at this rate of speed during the whole period of sales. To a large extent the inequality in prices for the same grade of tobacco may be explained by errors in judgment on the part of starters and buyers, because of the speed at which tobacco is sold.

Another important factor is the light under which tobacco is sold. Some tobacco may be placed on the warehouse floor where the light is unsatisfactory. It may be in a dark corner, or under a skylight through which the sun shines directly on the tobacco. Both conditions render accurate determinations very difficult, and often adversely affect the sales price of the tobacco. Neither of these unfavorable conditions - rate of sales or unfavorable light - can be directly attributed to either the starters or the buyers, but the ill effects of both can be reduced materially by inspection service.

Under Federal Inspection, to eliminate errors in judgment caused by speed and unfavorable light, sufficient inspectors are provided for each sale. Furthermore, as they begin inspecting tobacco sometime before the sale starts, they are not rushed and are able to make thorough examinations, and consequently more accurate and consistent determinations of grade. In addition, lots of tobacco that are under unsatisfactory light can be carried to proper light for better inspection and determination of grade.

Farmers should realize that both services are informational. The inspection service does not promote sales; it supplies information regarding the quality of tobacco offered for sale. The market news service does not establish prices; it only records current average prices established by sales of tobacco. If the service is rightly used it will go far toward preventing the losses now suffered by growers when tobacco is knocked down at less than its current market value. If the information is not applied it will have no influence on prices.

The object of Inspection, Market News, and Demonstration is to supply information regarding the quality of tobacco offered for sale. These services (1) to certify to the seller the grade of his tobacco, (2) furnish him with current average price, and support or loan price for each grade, (3) keep him informed as to best way to prepare his crop for marketing and (4) to aid him in all ways to get the utmost dollar value for his year's work.

In addition, the Department issues a market review each year which covers such information as opening and closing dates of all markets, number of warehouses and buyers on each market, warehouse charges, summary of sales by crop years, summary of sales by States and months, producers' sales and resales by markets, price charts showing fluctuations over a period of years, average price per grade each week of marketing season, percentages of each group, quality, and color in each crop, and other valuable data.

All or any of these reports will be sent upon request to Market News Service, Tobacco Division, AMS, 620 South Broadway, Lexington, Kentucky.

